



RECORDATION NO. 26626 FILED

OCT 17 '06

1-55 PM

SURFACE TRANSPORTATION BOARD

**DLA Piper US LLP**  
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October 16, 2006

OUR FILE NO. 301655-150

VIA UPS

Surface Transportation Board  
ATTN: Recording Dept.  
1925 K Street, NW  
Washington, DC 20006

**Re: Memorandum of Lease Agreement dated as of July 31, 2006  
Between Colorado and Wyoming Railway Company, as Lessee,  
Oregon Steel Mills, Inc., as Guarantor, and  
LaSalle Leasing Corporation, as Lessor**



Dear Sir/Madam:

Enclosed please find the original and ten (10) copies of the above-referenced Memorandum of Lease Agreement for recording among the records of the Surface Transportation Board.

Also attached is an extra copy of the cover page of the Memorandum, which I would appreciate if you would stamp with the recording date and reference and return to me in the enclosed self-address envelope.

Should you have any questions or require additional information please do not hesitate to contact me at 410-580-4405.

Sincerely,

**DLA Piper US LLP**

Melissa White  
Paralegal  
melissa.white@dlapiper.com

Enclosures

cc: Merrick J. Benn, Esq.

BALT114290941.1

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SURFACE TRANSPORTATION BOARD

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**MEMORANDUM OF LEASE AGREEMENT**

**Dated as of July 31, 2006**

between

**COLORADO & WYOMING RAILWAY COMPANY,  
as Lessee,**

**OREGON STEEL MILLS, INC.,  
as Guarantor,**

and

**LASALLE NATIONAL LEASING CORPORATION,  
as Lessor**

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**FILED WITH THE SURFACE TRANSPORTATION BOARD  
PURSUANT TO 49 U.S.C. § 11301**

on \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_:\_\_\_\_.m.

## MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of July 31, 2006, between LASALLE NATIONAL LEASING CORPORATION ("Lessor"), COLORADO & WYOMING RAILWAY COMPANY ("Lessee") and OREGON STEEL MILLS, INC. ("Guarantor") with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described on Exhibit No. 1 attached hereto.

All of such railcars are more fully described in that certain Rail Equipment Net Leasing Agreement dated as of July 31, 2006, and Schedule No. 1 thereto and incorporating the terms thereof, dated as of July 31, 2006 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.


2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.
3. Guarantor has agreed to guaranty all of Lessee's obligations now existing or hereafter arising under the Lease with respect to such railcars as set forth in that certain Lease Guaranty dated as of July 31, 2006 by Guarantor in favor of Lessor.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LASALLE NATIONAL LEASING CORPORATION  
Lessor

By:   
Name: CONSTANCE W. LANCASTER  
Title: SENIOR VICE PRESIDENT

COLORADO & WYOMING RAILWAY COMPANY  
Lessee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OREGON STEEL MILLS, INC.  
Guarantor


By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.


LASALLE NATIONAL LEASING CORPORATION  
Lessor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COLORADO & WYOMING RAILWAY COMPANY  
Lessee

By:   
Name: L. Ray Adams  
Title: President and Chief Financial Officer

OREGON STEEL MILLS, INC.  
Guarantor

By:   
Name: L. Ray Adams  
Title: Vice President and Chief Financial Officer

STATE OF MARYLAND                    )  
  ) ss.  
COUNTY OF BALTIMORE            )

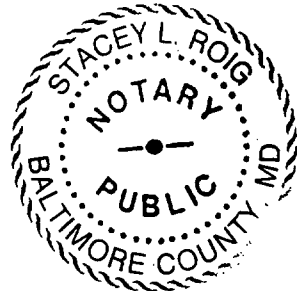
On this 29 day of July, 2006, before me appeared Constance Lancaster, the person who signed this instrument, who acknowledged that (s)he is the Sr. V.P. of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Stacey L. Roig  
Notary Public

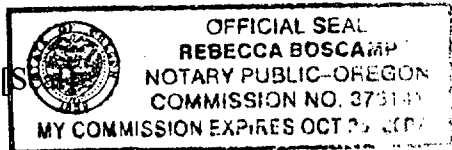
My commission expires:

August 4, 2009



STATE OF Oregon )  
 ) ss.  
COUNTY OF Multnomah )

On this 28 day of July, 2006, before me appeared L. Ray Adams the person who signed this instrument, who acknowledged that (s)he is the Vice Pres. of COLORADO & WYOMING RAILWAY COMPANY and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.



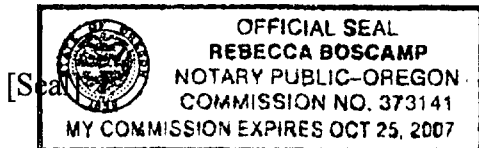
Rebecca Boscamp  
Notary Public

My commission expires:

10-25-07

STATE OF Oregon )  
 ) ss.  
COUNTY OF Multnomah )

On this 28 day of July, 2006, before me appeared L. Ray Adams the person who signed this instrument, who acknowledged that (s)he is the President/CFO of OREGON STEEL MILLS, INC. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.



Rebecca Boscamp  
Notary Public

My commission expires:

10/25/07, \_\_\_\_\_



**EXHIBIT NO. 1**  
**TO MEMORANDUM OF LEASE AGREEMENT**

DESCRIPTION OF RAILCARS AND REPORTING MARKS

Mark	Number	Mark	Number	Mark	Number
FEC	2702	FEC	2774	FEC	2843
FEC	2703	FEC	2776	FEC	2845
FEC	2704	FEC	2778	FEC	2846
FEC	2705	FEC	2782	FEC	2848
FEC	2708	FEC	2783	FEC	2849
FEC	2710	FEC	2784	FEC	2850
FEC	2713	FEC	2785	FEC	2851
FEC	2715	FEC	2786	FEC	2854
FEC	2716	FEC	2788	FEC	2856
FEC	2718	FEC	2790	FEC	2857
FEC	2720	FEC	2792	FEC	2858
FEC	2721	FEC	2793	FEC	2859
FEC	2722	FEC	2795	FEC	2861
FEC	2723	FEC	2797	FEC	2862
FEC	2724	FEC	2800	FEC	2865
FEC	2725	FEC	2801	FEC	2866
FEC	2728	FEC	2802	FEC	2867
FEC	2729	FEC	2803	FEC	2868
FEC	2730	FEC	2806	FEC	2869
FEC	2731	FEC	2807	FEC	2870
FEC	2733	FEC	2808		
FEC	2734	FEC	2809		
FEC	2739	FEC	2811	Total Cars:	100
FEC	2741	FEC	2813		
FEC	2742	FEC	2817		
FEC	2743	FEC	2819		
FEC	2745	FEC	2820		
FEC	2753	FEC	2824		
FEC	2755	FEC	2825		
FEC	2756	FEC	2827		
FEC	2757	FEC	2829		
FEC	2758	FEC	2830		
FEC	2760	FEC	2831		
FEC	2761	FEC	2832		
FEC	2763	FEC	2836		
FEC	2764	FEC	2837		
FEC	2765	FEC	2838		
FEC	2767	FEC	2839		
FEC	2772	FEC	2840		
FEC	2773	FEC	2842		